

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

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CREIGHTON TAKATA, Individually and on :  
behalf of all others similarly situated, :

*Plaintiff,*

v.

RIOT BLOCKCHAIN, INC. F/K/A,  
BIOPTIX, INC., JOHN O'ROURKE,  
JEFFREY G. MCGONEGAL,

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*Defendants.*

Civil Action No.: 18-2293(FLW)(TJB)

:  
: **DECLARATION OF**  
: **JOSEPH J. DEPALMA**  
: **IN SUPPORT OF LEAD PLAINTIFF'S**  
: **OMNIBUS MEMORANDUM OF LAW**  
: **IN OPPOSITION TO DEFENDANTS'**  
: **MOTIONS TO DISMISS THE**  
: **CORRECTED AMENDED**  
: **CONSOLIDATED CLASS ACTION**  
: **COMPLAINT**  
:

**LITE DEPALMA GREENBERG**

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and Lead Counsel for the Class*

**DECLARATION OF JOSEPH J. DEPALMA**

I, Joseph J. DePalma, hereby declare as follows:

1. I am an attorney admitted to practice in the state of New Jersey and am admitted to practice before this Court in the above-captioned case. I am a member of Lite DePalma Greenberg, Local Counsel for Dr. Stanley Golovac.

2. I respectfully submit to the Court, pursuant to 28 U.S.C. § 1746, this declaration and the attached materials that are referenced in Lead Plaintiff's Omnibus Memorandum of Law in Opposition to Defendants' Motions to Dismiss the Corrected Amended Consolidated Class Action Complaint.

3. Submitted herewith are true and correct copies of the following:

<b>Exhibit</b>	<b>Description</b>
1	First Amended Complaint and Jury Demand [ECF No. 105] filed in <i>S.E.C. v. Barry C. Honig, et al.</i> , Civil Action No. 1:18-cv-08175 (ER), S.D.N.Y. U.S.D.C. on March 8, 2019.
2	Complaint and Jury Demand [ECF No. 1] filed in <i>S.E.C. v. Barry C. Honig, et al.</i> , Civil Action No. 1:18-cv-08175 (ER), S.D.N.Y. U.S.D.C. on September 7, 2018.
3	Judgment as to Defendant Barry C. Honig [ECF No. 152] filed in <i>S.E.C. v. Barry C. Honig, et al.</i> , Civil Action No. 1:18-cv-08175 (ER), S.D.N.Y. U.S.D.C., on July 10, 2019.
4	Final Judgment as to Defendant Mark Groussman [ECF No. 93] filed in <i>S.E.C. v. Barry C. Honig, et al.</i> , Civil Action No. 1:18-cv-08175 (ER), S.D.N.Y. U.S.D.C. on February 6, 2019.
5	Final Judgment as to Defendant Melechdavid, Inc. [ECF No. 94] filed in <i>S.E.C. v. Barry C. Honig, et al.</i> , Civil Action No. 1:18-cv-08175 (ER), S.D.N.Y. U.S.D.C. on February 6, 2019.
6	Judgment as to Defendant GRQ Consultants, Inc. [ECF No. 151] filed in <i>S.E.C. v. Barry C. Honig, et al.</i> , Civil Action No. 1:18-cv-08175 (ER), S.D.N.Y. U.S.D.C. on July 10, 2019.

Exhibit	Description
7	Pages excerpted from PolarityTE, Inc. (f/k/a Majesco Entertainment Co.) Form 10-K/A Amendment No. 1 (Amended Annual Report), signed by Barry Honig as Chief Executive Officer and John Stetson as Chief Financial Officer, and filed with the U.S. Securities and Exchange Commission (“SEC”) on February 26, 2016 for the Period Ending October 31, 2015.
8	Pages excerpted from PolarityTE, Inc. (f/k/a Majesco Entertainment Co.) Form 8-K (Current report filing), signed by Barry Honig as then-Chief Executive Officer, and filed with the SEC on October 1, 2015 for the Period Ending September 25, 2015.
9	Pages excerpted from PolarityTE, Inc. Form Def 14A (Proxy Statement (definitive)), including Notice of Annual Meeting of Shareholders, by Order of the Board of Directors, filed with the SEC on August 17, 2018 for the Period Ending August 17, 2018.
10	Pages excerpted from the Application for Court-Ordered Special Meeting of Shareholders Pursuant to C.R.S. § 7-107-103(1)(b), filed in <i>Barry Honig, in his capacity as trustee of GRQ Consultants, Inc. 401K Trust and Plan v. Bioptix, Inc. f/k/a Venaxis, Inc.</i> , by and through Barry Honig’s then-counsel, K.C. Groves, Esq., and Mark E. Haynes, Esq., of Ireland Stapleton Pryor & Pascoe, P.C., on December 8, 2016.
11	Riot Blockchain, Inc. Form SC 13D/A (Amended Statement of Beneficial Ownership), including Exhibit No. 99.1 - Letter to the Issuer dated September 20, 2016, filed with the SEC by Catherine Johanna DeFrancesco on September 20, 2016.
12	Riot Blockchain, Inc. Form 8-K (Current report filing), including Exhibit No. 99.1 – Letter of Resignation, signed by Jeffrey G. McGonegal as Chief Financial Officer, and filed with the SEC on January 6, 2017 for the Period Ending January 6, 2017.
13	Pages excerpted from PolarityTE, Inc. (f/k/a Majesco Entertainment Co.) Form 8-K (Current report filing) filed with the SEC on December 7, 2016 for the Period Ending December 1, 2016.
14	Riot Blockchain, Inc. Form 8-K (Current report filing), signed by Jeffrey G. McGonegal as Chief Financial Officer, and filed with the SEC on May 8, 2017 for the Period Ending May 5, 2017.
15	Pages excerpted from Riot Blockchain, Inc. Form S-3/A (Securities Registration Statement (simplified form)) signed by John O’Rourke as Chief Executive Officer and Jeffrey G. McGonegal as Chief Financial Officer, and filed with the SEC on February 7, 2018.

Exhibit	Description
16	Pages excerpted from Riot Blockchain, Inc. Form 10-K (Annual Report) for the fiscal year ended December 31, 2018, filed with the SEC on April 2, 2019.
17	Diagram of Kairos, Prive, and Ingenium related-party transactions involving Defendants and related parties' overlapping ownership and/or control of these three entities.
18	Riot Blockchain, Inc. Press Release – “Riot Blockchain Provides Shareholder Update” – “Riot Blockchain Responds to CNBC” by Chairman and CEO John O’Rourke providing updated to shareholders, dated February 16, 2018.
19	Chart showing Riot Blockchain, Inc.’s stock price from April 20, 2017 through September 30, 2019.
20	Riot Blockchain, Inc. Form 8-K (Current Report), in regard to the October 16, 2017 Entry into a Material Definitive Agreement with Tess, Inc., signed by Jeffrey G. McGonegal as Chief Financial Officer, and filed with the SEC on October 20, 2017.
21	Pages excerpted from Riot Blockchain, Inc. Form 10-Q (Quarterly Report) (for the 1st Quarter of 2019), filed with the SEC on May 10, 2019 for the Period Ending March 31, 2019.
22	Pages excerpted from Riot Blockchain, Inc. Form 10-Q (Quarterly Report) (for the 2nd Quarter of 2019), filed with the SEC on August 8, 2019 for the Period Ending June 30, 2019.
23	Riot Blockchain, Inc. Form 8-K (Current report filing), signed by Jeffrey G. McGonegal as Chief Financial Officer, and filed with the SEC on November 16, 2017 for the Period Ending November 16, 2017.
24	Pages excerpted from Riot Blockchain, Inc. Form 10-K (Annual Report) for the fiscal year ended December 31, 2017, filed with the SEC on April 17, 2018.
25	Pages excerpted from Riot Blockchain, Inc. Form 10-Q (Quarterly Report) (for the 3rd Quarter of 2018), filed with the SEC on November 19, 2018 for the Period Ending September 30, 2018.
26	Verady, Inc.’s Press Releases as listed on Verady, Inc.’s online website ( <a href="https://verady.com/press/3/">https://verady.com/press/3/</a> ) obtained by Motley Rice LLC on September 30, 2019.
27	Charts showing Riot Blockchain Inc. Historical Shares Outstanding from YCharts’ online website obtained by Motley Rice LLC on September 24, 2019.
28	Pages excerpted from Riot Blockchain Inc. Schedule 14A – 2017 Proxy Statement, including Notice of Annual Meeting of Shareholders written by John O’Rourke as President and Chief Executive Officer, Chairman, by Order of the Board of Directors, filed with the SEC on December 12, 2017.
29	Pages excerpted from Riot Blockchain Inc. Schedule 14A – 2018 Proxy Statement, including Notice of Annual Meeting of Shareholders written by John

Exhibit	Description
	O'Rourke as Chairman and Chief Executive Officer, by Order of the Board of Directors, filed with the SEC on March 26, 2018.
30	Pages excerpted from PolarityTE (f/k/a Majesco Entertainment Co.) Form S-3 Amendment No. 2 (Registration Statement) filed with the SEC on August 3, 2016.
31	Charts showing comparison between Riot Blockchain, Inc.'s stock price and the price of Bitcoin between December 29, 2017, and January 3, 2018.
32	Riot Blockchain, Inc. Form 10-Q/A Amendment No. 2 (for the 3rd Quarter of 2018), filed with the SEC on March 6, 2019 for the quarterly period ended September 30, 2018.
33	Riot Blockchain, Inc. Form SC 13D/A (Amended Statement of Beneficial Ownership), filed with the SEC by Barry C. Honig on April 18, 2018.
34	Pages excerpted from Riot Blockchain, Inc. Form 10-K (Annual Report) for the fiscal year ended December 31, 2016, filed with the SEC on March 31, 2017.
35	Riot Blockchain, Inc. Form 8-K (Current report filing), signed by Jeffrey G. McGonegal as Chief Financial Officer, and filed with the SEC on October 5, 2017 for the Period Ending October 5, 2017.
36	Honig Group Diagram
37	Riot Blockchain, Inc. – 2016 -2018 Assets and Losses Chart
38	SEC Form 4 – Statement of Changes in Beneficial Ownership of Securities for PolarityTE (f/k/a Majesco Entertainment Co.) signed by Reporting Person Mohit Bhansali, Director, dated December 5, 2016.
39	SEC Form 4 – Statement of Changes in Beneficial Ownership of Securities for PolarityTE (f/k/a Majesco Entertainment Co.) signed by Reporting Person Edward Karr, Former Director, dated December 5, 2016.
40	SEC Form 4 – Statement of Changes in Beneficial Ownership of Securities for PolarityTE (f/k/a Majesco Entertainment Co.) signed by Reporting Person Michael Beeghley, Director, dated December 5, 2016.
41	SEC Form 4 – Statement of Changes in Beneficial Ownership of Securities for PolarityTE (f/k/a Majesco Entertainment Co.) signed by Reporting Person Andrew Kaplan, Former Director, dated December 5, 2016.
42	SEC Form 4 – Statement of Changes in Beneficial Ownership of Securities for PolarityTE (f/k/a Majesco Entertainment Co.) signed by Reporting Person Barry Honig, Director and 10% Owner, dated December 5, 2016.
43	SEC Form 4 – Statement of Changes in Beneficial Ownership of Securities for PolarityTE (f/k/a Majesco Entertainment Co.) signed by Reporting Person Michael Brauser, Director, dated December 5, 2016.

Exhibit	Description
44	S.E.C Form – Amendment No. 5 to Schedule 13G (Rule 13d-1(c)) for PolarityTE, Inc., signed and filed by Reporting Person Mark Groussman (on behalf of Mark Groussman, Melechdavid, Foundation and Retirement Plan), dated February 14, 2017.
45	PolarityTE, Inc. Form S-1 (Securities Registration Statement), signed by John Stetson on behalf of PolarityTE as Chief Financial Officer (Principal Financial and Accounting Officer) and filed with the SEC on January 30, 2017.
46	PolarityTE, Inc. (f/k/a Majesco Entertainment Co.) Form 8-K/A (Amended Current report filing), signed by Denver Lough as Chief Executive Officer, and filed with the SEC on September 10, 2018 for the Period Ending September 7, 2018.
47	SEC Form 4 – Statement of Changes in Beneficial Ownership of Securities for PolarityTE (f/k/a Majesco Entertainment Co.) signed by Reporting Person John Stetson, Director and Chief Financial Officer, dated December 6, 2016.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 1<sup>st</sup> day of October, 2019, in Newark, New Jersey.

/s/ Joseph DePalma  
Joseph J. DePalma